

# House Bill 4134

Sponsored by Representatives ELMER, GOMBERG; Representatives BOICE, CONRAD, HARTMAN, Senators BOQUIST, KNOPP, MEEK, PATTERSON, SMITH DB (Presession filed.)

## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**. The statement includes a measure digest written in compliance with applicable readability standards.

Digest: This Act makes DAS give money to cities for infrastructure to support housing. (Flesch Readability Score: 63.4).

Requires the Oregon Department of Administrative Services to provide grants to cities for specified infrastructure projects that will benefit housing developments that will make at least 30 percent of the dwelling units affordable to workforce income households.

Declares an emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to housing; and declaring an emergency.

3       Whereas the housing supply crisis is impacting the economy of Oregon's rural communities; and

4       Whereas housing prices have increased exponentially, and supply is diminishing, leading to  
5 Oregon's workforce not being able to purchase or rent housing in rural communities; and

6       Whereas without access to the same resources as larger cities, the costs of infrastructure to  
7 support workforce housing production in Oregon's small and rural cities is cost-prohibitive; and

8       Whereas employers in rural communities are struggling to recruit and retain a workforce due  
9 to housing shortages, leading to impacts on local economies and basic services; and

10       Whereas Oregon needs to incentivize home construction serving households with 130 percent  
11 of county median income or less, which is housing for the general workforce, including teachers,  
12 firefighters and service industry workers, in these smaller and rural communities in order for these  
13 communities to continue to grow; and

14       Whereas cities with a population of 50,000 and fewer need more tools to meet their housing  
15 needs; and

16       Whereas providing stopgap infrastructure funding for housing developments and requiring those  
17 developments that receive the funding to set aside housing units for workforce housing will increase  
18 housing supply and guarantee workforce housing in rural Oregon communities; now, therefore,

19 **Be It Enacted by the People of the State of Oregon:**

20       **SECTION 1. (1) As used in this section:**

21       **(a) "Housing development" means multifamily housing or a mix of multifamily, middle**  
22 **housing and single-family housing units planned, owned or constructed together through one**  
23 **or more applications or development projects under ORS 227.175 or a development agreement**  
24 **under ORS 94.504 to 94.528.**

25       **(b) "Infrastructure project" means a specific project for which funds are appropriated**  
26 **under section 5 of this 2024 Act.**

27       **(c) "Workforce income household" means a household with income less than or equal to**  
28 **130 percent of the county median income based on information or estimates available from**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 the United States Census Bureau.

2 (2) The Oregon Department of Administrative Services shall provide grants to cities for  
3 the purpose of developing infrastructure projects.

4 (3) To receive a grant under this section, a city must agree that:

5 (a) The infrastructure project will be within the city's urban growth boundary and will  
6 contribute to the development of housing within the urban growth boundary;

7 (b) The infrastructure project will be completed within 24 months of the disbursement  
8 of the funds;

9 (c) The city has identified a specific, planned housing development that will be primarily  
10 benefited by the infrastructure project;

11 (d) The city has or will enter into an agreement with the property owner of the housing  
12 development as provided in subsection (4) of this section;

13 (e) The city will assign to the state any moneys or claims based on subsection (4)(c) of  
14 this section; and

15 (f) The city will provide reports as required under section 2 of this 2024 Act.

16 (4) A city may not receive a disbursement of the grant until the city and the property  
17 owner of the identified housing development have entered into one or more agreements to  
18 provide that:

19 (a) The owner will construct a minimum specified number of housing units before the  
20 latter of 36 months after the completion of the infrastructure project or 60 months after the  
21 disbursement of the infrastructure grant.

22 (b) No less than 30 percent of the dwelling units within the housing development will be  
23 subject to an affordable housing covenant, as defined in ORS 456.270, under which:

24 (A) The city shall serve as or designate the covenant holder; and

25 (B) The housing will be made affordable to workforce income households for a period of  
26 no less than 10 years.

27 (c) In addition to any other remedies, the owner is liable to repay to the city the amount  
28 of the infrastructure grant under this section if the units are not developed or the  
29 affordability is not maintained as required in this subsection, except for delays outside of the  
30 owner's control.

31 (d) The owner will assist the city in its reporting requirements under section 2 of this  
32 2024 Act.

33 **SECTION 2.** (1) Cities receiving grants under section 1 of this 2024 Act are required to  
34 provide two reports to the Oregon Department of Administrative Services, one within 24  
35 months and one within 60 months after moneys are distributed, on:

36 (a) The progress of the infrastructure project for which moneys were received;

37 (b) An estimated timeline of completion, or a report of the completed results;

38 (c) An accounting of the moneys spent and remaining for the project; and

39 (d) The number of housing units and affordable housing constructed within the housing  
40 development as described in section 1 (4) of this 2024 Act.

41 (2) On or before September 15 of each year, the Oregon Department of Administrative  
42 Services shall provide a report to interim committees of the Legislative Assembly on housing  
43 in the manner provided in ORS 192.245 summarizing the reports received under subsection  
44 (1) of this section.

45 **SECTION 3.** Section 1 of this 2024 Act is repealed on January 2, 2026.

1        **SECTION 4.** Section 2 of this 2024 Act is repealed on January 2, 2030.

2        **SECTION 5.** In addition to and not in lieu of any other appropriation, there are appro-  
3        priated to the Oregon Department of Administrative Services, for the biennium ending June  
4        30, 2025, out of the General Fund, to provide grants under section 1 of this 2024 Act, the  
5        following amounts:

6            (1) \$3,925,000 for a grant to the City of Madras for public road improvements, utility  
7        connections, sewer and water improvements.

8            (2) \$3,729,000 for a grant to the City of Dayton for public water and sewer infrastructure  
9        improvements for Neck Road.

10          (3) \$3,400,000 for a grant to the City of Carlton for public water, sewer, storm, and street  
11        improvements to Scott Street.

12          (4) \$3,000,000 for a grant to the City of Burns for Miller Springs Infrastructure Im-  
13        provements - Phase 1.

14          (5) \$2,000,000 for a grant to the City of McMinnville for water infrastructure for Zone 2.

15          (6) \$2,000,000 for a grant to the City of Sheridan for reconstruction of Sheridan Road.

16          (7) \$1,450,000 for a grant to the City of Amity for off-site street improvements to Oak  
17        Avenue.

18          (8) \$875,000 for a grant to the City of Newport for public roadway and wastewater  
19        infrastructure upgrades.

20          (9) \$875,000 for a grant to the City of Gold Beach for public road, water, sewer and utility  
21        upgrades in relation to Hunter Creek.

22          (10) \$640,000 for a grant to the City of Toledo for infrastructure on Sturdevant Road.

23        **SECTION 6.** This 2024 Act being necessary for the immediate preservation of the public  
24        peace, health and safety, an emergency is declared to exist, and this 2024 Act takes effect  
25        on its passage.

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